

Parts Manager Conversation

Collaborate with your Parts Manager to answer the following questions. Use this opportunity to share new ideas from the class and to coach your Parts Manager on how they can be implemented. Be sure to respect their expertise. **Provide your answers in a different color font.**

1. What formal parts management training does your parts manager have (for example, the NADA Academy Seminar)? **Mostly MB & Penske Audit Team. Previous, Sandler Sales.**
2. Does your Dealership/Parts department have a Vision statement that all departmental employees know and understand? What is it? **No. However, the goal is customer satisfaction. We're currently putting one together after our NADA parts training.**
3. Have you ever tracked your First Time Fill Rate (FTFR) manually (not using the DMS or your OEM)? What is your current Repair Order FTFR? **Our Parts manager uses the OEM Measurement.**
4. What percentage of your business comes from Inside (RO/Internal/Warranty/Body Shop) vs Outside (Counter Retail & Wholesale)? **CP 34%, Retail 5 %, Wholesale 17%, Warranty 23% Internal 5% Other 16% (Tire, GOG, Adjustments) For the month of May**
5. What policies, controls, and security are in place on your DMS (via Privileges and/or the Exception or Deviation Reports) to prevent counter people from changing the pricing structure during daily transactions? **Nothing in place, our parts manager monitors 2211 daily for GP% and 2542 overrides.**
6. Who can change/override parts pricing? Cashier? Service Director/Manager? Service Advisors? **Only our parts department. Service can however change from CP/War/Internal, and that will can impact the price levels dictated by those codes.**
7. Are you at Retail pricing for Internal? Who established your Internal parts pricing policies? Are they current? **Yes, at retail. Mandated by Penske.**
8. If you are in a Retail Reimbursement for Warranty state, are you at retail for warranty? If not, when was the last time you petitioned the OEM for retail reimbursement? **In process of updating. 88% current mark up**
9. Do the Parts, Service and Body Shop Managers work with the Office Manager/Controller monthly to follow up on all Work in Process (WIP) documents. Do they verify that all parts invoices and repair orders are closed out in a timely manner? What does this look like? **Yes, we review 2527 Open Invoice, 0333 Unposted Transaction, WIP Reports including not yet posted in accounting.**

10. Is the financial statement for the Parts department given to the manager and discussed on a weekly/monthly basis? If not, is a daily operating report of sales, gross profit, etc., provided to the Parts Manager for review (DOC)? **We review Penske Browser Reports and 2211 report. We also have a monthly operating review (MOR) meeting to discuss with our AVP.**
11. What is your retail pricing strategy for your parts department? How often do you check to see whether your pricing goals are being achieved? We have List + RMO for Fast Moving, /Competitive and matrix pricing for everything else. **Goal of Maintenance 40%+ CP, 27%+ for Wholesale and 40%+ for Warranty 25%+ for Retail (Online Brings this down considerably).**
12. How often do you audit your dealership's Parts web page? How often are coupons, hours of business, etc., reviewed and updated? **1-2 Times per year, not frequently enough as we noticed in NADA.**
13. Do you have a Parts online eStore? How do you ensure that parts order forms/queries are responded to in a timely manner? Who gets the email leads/questions? **Yes, two people continuously monitor. All orders are responded to on the same day, except weekends.**
14. What sales training is available for Parts personnel? If training is available, is it mandatory? How often are sales skills assessed, tested, and refreshed? **Sales Training no. If we had dedicated Wholesale team, this would be a different story. We're working on implementing sales training by the GM Bob Laughton specifically phone skills.**
15. Do you have a process to offer accessories to 100% of your New and Used customers? If so, what does it look like? If not, why not? **No We do not. Has not been a focus..** We already pre-install on average \$3,000 of aftersales accessories on our inventory – Diamond Ceramic Protection and Mercedes-Benz Prepaid Maintenance.
16. What would help you sell more accessories? **Less confusion from the manufacturer. M-B is horrible with what you can or cannot be put on a car based on its options. We also need to spend more time having accessory conversations and brain storming to get the most of this revenue stream.**
17. Do you review your wholesale customers to see if their sales, gross, and returns justify the expense of conducting business with them? How often are they reviewed? **No, we look at over all GP% of wholesale. We maintain 27% or better. Our biggest discount offered is 20% unless Price Match from Factory is available.**
18. Do you know how much each of your Parts salespeople must sell each day just to breakeven? **We are well above that line every day. After All Expense paid, we retain 47%.**

19. What procedures do you have in place to ensure inventory accuracy and integrity? How are variances communicated to the accounting office? **Bin Checks monthly, NOH Reports, 2542 Cost Overrides, Invoice Discrepancy Reporting, and Monthly GL Reconciliation**
20. Are lost sales being tracked in your DMS? Do you have a common definition that all counter people understand? What is your definition? **Not actively, The OEM AOR Program is set too aggressive. Which will base on many factors, will bring something on 1st sale.**
21. What is the biggest obstacle to getting your Special-Order parts off the SOP shelves and installed/picked up? **Customers refuse to come in to pick up prepaid items. Most items not picked up were ordered by techs and not really needed. Some are for Older vehicles that people approved but had no intention of fixing.**
22. In your store, what do you feel is the biggest cause of frozen capital and/or obsolescence? What is the current dollar value of your obsolescence? **Wholesale Returns. Not often a problem, but current KPI's with the Manufacture have caused it to be a problem.**
23. What is your phase in/phase out strategy? How do you balance this strategy with factory recommended stocking guidelines (RIM, ARO, Parts Eye, etc.)? **5/12 for Body Shop Parts. 2/12 for Shop/Mechanical Parts. 3/12 for Trim pieces.**
24. On a scale of 1-10 (10 = expert level) what is your level of understanding of the information that is on your DMS's monthly summary? **10**
25. What is the one thing that your organization can do or provide to help the Parts Manager do their job more effectively? **Office. Shipping and Receiving Area, Dedicated Parts Department, not two different Buildings.**